



National Academy of Public Administration  
Chartered by Congress

April 21, 1988

The Honorable Louis Stokes  
Chairman, House Permanent Select Committee on Intelligence  
H-405 Capitol Building  
Washington, DC 20515

Through: Judge William H. Webster  
Director of Central Intelligence

Dear Chairman Stokes,

I am pleased on behalf of the National Academy of Public Administration's Panel for the study of the Intelligence Personnel Systems to transmit the May 1st interim report as requested by the Congress in the Conference Report for the FY88 Intelligence Authorization Act. A copy of this document is being sent to the Honorable David L. Boren, Chairman, Senate Select Committee on Intelligence.

Sincerely,

Philip A. Odeen

NAPA PANEL FOR INTELLIGENCE  
COMMUNITY PERSONNEL STUDY

PHILIP ODEEN\* - PANEL CHAIR: Regional Managing Partner, Coopers and Lybrand. Served as Vice President for Wilson Sporting Goods, Co.; Director of Program Analysis, National Security Council and Principal Deputy Assistant Secretary of Defense for Systems Analysis. Is Chair of the Washington World Affairs Council and Subcommittee Chair on President's Commission on Military Compensation. Assisted Frank Carlucci in transition to becoming National Security Council Advisor.

JULIUS BECTON - Director, Federal Emergency Management Agency, retired as a Lieutenant General of the U.S. Army in 1983 from the position of Deputy Commanding General of the Army's Training and Doctrine Command. He had been Commander of the 7th Corps in Germany and of the 1st Cavalry in Fort Hood, Texas earlier in his career.

JAMES COLVARD\* - Assistant Director for Tactical Systems, Applied Physics Laboratory at John Hopkins University. He has served as Deputy Director, Office of Personnel Management; Deputy Chief of Naval Materiel; Technical Director, Naval Weapons Laboratory; and Technical Director, Naval Surface Weapons Center.

BOBBY INMAN\* - Chairman and CEO, Westmark Systems, Inc. Former Chairman and CEO of Microelectronics and Computer Technology Corporation. Served as Deputy Director of Central Intelligence and Director of the National Security Agency.

CAROL LAISE\* - Ambassador, Retired. Served as Assistant Secretary of State for Public Affairs, Director General of the Foreign Service, Ambassador to Nepal, and Director of the Division of South Asian Affairs. Member of the Council on Foreign Relations.

FRED MEUTER - Manager, Executive Compensation, Xerox Corporation. Twenty-nine years of broad-based compensation experience with major corporations, e.g. TRW and 3M. Combat Intelligence Officer, U.S. Air Force during Korean conflict. FBI Special Agent for six years.

WILLIAM MILLER\* - President, American Committee on U.S. Soviet Relations. Has served as Associate Dean and Adjunct Professor, Fletcher School of Law and Diplomacy, Tufts University; Staff Director, Senate Select Committee on Intelligence; Special Assistant to Senator John Sherman Cooper of Kentucky; and as a Foreign Service Officer in Washington and Iran.

\*Academy Members

January 20, 1988

Attachment B

## Study of Intelligence Personnel Systems

### Terms of Reference

#### Background

The Intelligence Authorization Act for Fiscal Year 1988 (Title VII, Section 701) requires the Director of Central Intelligence to contract with the National Academy of Public Administration (NAPA) for a comprehensive review and comparative analysis of the civilian personnel management and compensation systems of the Intelligence Community. The analysis is to include an assessment of the adequacy of existing personnel systems to support the missions of the various intelligence organizations. NAPA is also directed to make recommendations for additional legislation and regulatory or other changes that are deemed advisable to improve the effectiveness of the separate systems.

#### Scope and Emphasis

For the purpose of the study, the "Intelligence Community" will be CIA, NSA, DIA, State/INR, FBI/FCI, and the intelligence elements of the military services.

The study is intended to be an objective, classified review of the Intelligence Community's personnel management and compensation systems. The aim is to provide a baseline understanding of the effect of these systems on

the ability of intelligence organizations to perform current and future missions. In carrying out the study, NAPA will examine issues and programs bearing on recruitment, retention, and effective management of employees. Attention should be paid to the consequences of pay and evaluation aspects of personnel systems and to programs related to needs for certain critical skills and occupations. Career development and employee support programs should also be examined, as should infrastructure support for personnel management. The interim and final reports should also provide NAPA's recommendations regarding proposed and potential legislation affecting the intelligence personnel systems.

#### Broad Objectives

The study should achieve the following broad objectives:

- o An examination of the need for significant change in existing Intelligence Community human resource management systems implied in current economic, social, and demographic trends.
- o An examination of present and planned Intelligence Community personnel systems to ascertain if they will be able to attract and retain the highest quality personnel through the 1990s, including identification and specification of necessary improvements and required legislative proposals.
- o A comparison of Intelligence Community personnel systems with the federal civil service, including identification and analysis of

personnel issues facing the Intelligence Community that differ significantly from those facing the federal government in general.

- o A comparison of the personnel needs and requirements facing the individual members of the Intelligence Community, with due regard for the differing missions, risks, job requirements and environments of the agencies, departments, and offices involved.
- o Recommendations, if warranted, for legislative, regulative, or other changes in personnel and/or compensation programs based on the unique nature of intelligence activities.

#### Areas of Inquiry

In the course of meeting the broad objectives, the study should address the following specific areas:

- o Competition Intelligence Community competition for human resources is primarily with the private sector. The total compensation package (pay, benefits, and awards) should be evaluated to determine what needs to be done to make the Intelligence Community competitive in the 1990s in the private sector market in which it competes.
- o Security Special security, cover, lifestyle, and professional restrictions should be examined to determine how they should be recognized in the total compensation packages.

- o Rewards Mechanisms and programs for rewarding employees should be evaluated.
- o Training The resources necessary for retraining to meet changing staffing requirements should be analyzed. Areas that should be assessed include the adequacy of current training and employee development programs throughout the Intelligence Community (as they relate to occupational skills training and the availability of training) and the adequacy of resource commitments to these endeavors.
- o Work Environment The quality of work environment in each agency, including availability of appropriate facilities and equipment, should be compared with corresponding elements in the private sector.
- o Retirement Systems Existing retirement systems should be evaluated as both a managerial tool and an employee incentive. The focus here should be derived from the vagaries of ceiling and special skill needs and the consequent expectation that age and promotion bubbles will arise. The evaluation should emphasize problems of plateauing and the need to ensure appropriate employee throughput.
- o Flexibility The changing and expanding nature of intelligence requirements and the growing interdisciplinary, interagency character of intelligence work require managers to have greater staffing and pay flexibility in organizing the work force. The study should explore the appropriateness and feasibility of establishing

alternatives to the General Schedule and/or restructuring the General Schedule to provide greater management flexibility.

- o Occupational Pay Occupational pay should be evaluated as an approach to pay administration.
- o Leave and Benefits Alternative leave and benefit programs should be evaluated with respect to the need to accommodate the modern work force, which contains an increasing number of dual-income families and single parents.
- o Career Development The adequacy of career development programs in the face of dynamic change should be examined. Attention should be paid to existing and potential programs, including efforts to recognize the roles of both managers and specialists.
- o Wartime Operations The potential impact of wartime operations on civilian personnel should be addressed, especially with respect to the need for continuity of critical functions in the US and overseas.

#### Steering and Guidance

A Study Steering Group (SSG), chaired by a member of the Intelligence Community Staff, with representatives (one each) from the Central Intelligence Agency, the National Security Agency, the Defense Intelligence Agency, the Department of State's Bureau of Intelligence and Research, the Federal Bureau

of Investigation, and US Army Intelligence (representing all the military services) will be formed to guide and facilitate NAPA's work, to assure that necessary support is provided from participating agencies, and to assist the Intelligence Community Staff in carrying out its role as agent for the DCI in reviewing and overseeing the study. The Intelligence Community staff will provide the Contracting Officer's Technical Representative (COTR) for the study.

The SSG will identify within each participating agency or entity a focal point for all study-related activity within that organization, including responses to NAPA's requests for information. NAPA will coordinate all of its activities through these focal points. Both NAPA and the focal points will keep the COTR and SSG aware of progress and problems.

The SSG will receive guidance and overall direction from a Study Management Policy Group (SMPG). The SMPG will be chaired by the Director of the Intelligence Community Staff and will be composed of NFIC-level representatives of the intelligence organizations participating in the study. The SMPG will act for the DCI in the review of the interim reports and will make recommendations to the DCI regarding the final report.

#### Security

Names of the NAPA study team and panel will be provided to the COTR prior to commencement of the study to assure that necessary clearances are obtained from participating organizations.



The COTR will determine that NAPA is provided with suitable secure office space and storage facilities. The focal point for each organization will make such arrangements as may be necessary for office space and secure storage facilities in individual organizational locations.

#### Methodology and Study Organization

NAPA shall be responsible for the proposal of a study methodology and organization which shall be subject to the approval of the COTR after consultation with the Study Steering Group. The COTR will convey to NAPA any special study focus and guidance received from the Congressional Oversight Committees when it becomes available. In defining the study's scope and tasks, NAPA's proposal shall take into account the funding constraints in the authorizing legislation as well as timing and other considerations required for the interim and final reports.

#### Timing and Reports

The study will begin as soon as practicable after 1 January 1988. NAPA will provide interim reports on 1 May and 1 August 1988. The study will be concluded and a final report provided by the DCI to the Oversight Committees on or before 20 January 1989.

The purpose of the interim reports is to provide a means for an assessment by the Congress of new or substantially modified programs and compensations planned for early implementation. In view of the limited time available to develop the interim reports, the SSG should advise NAPA early in the study which such programs should be evaluated. In addition to a report of progress on the study in general, of particular interest is an analysis of existing or proposed changes to personnel management and compensation systems aimed at recruiting or retaining individuals with skills critical to the missions of the Intelligence Community.